

Market Commentary

All NYMEX | Prior Settlements

Recap: The crude market on Monday posted an inside trading day as it retraced Friday's losses. The market was well supported by a rebound in the stock market as concerns over a trade war between the US and China eased. Trump administration officials said over the weekend that there was still time for the two countries to work out a deal. The market posted a low of \$61.93 on the opening and quickly bounced off that level as it held support at its previous low of \$61.81. The market retraced its previous losses and rallied to a high of \$63.61 by mid-morning. It however settled in a sideways trading pattern as it failed to test its previous high of \$63.79. The May WTI contract settled up \$1.36 at \$63.42, while the June Brent contract settled up \$1.54 at \$68.65. The product markets also ended the session in positive territory, with the heating oil market settling up 3.88 cents at \$1.9966 and the RBOB market settling up 2.95 cents at \$1.9842.

Fundamental News: Genscape reported that crude oil stocks held in Cushing, Oklahoma in the week ending April 6th stood at 38.4 million barrels, down 29,000 barrels from Tuesday but up 1.5 million barrels on the week.

China's Sinopec plans to cut Saudi crude oil imports in May by 40% after Saudi Aramco set higher-than-expected prices.

Iran's President, Hassan Rouhani, said US President Donald Trump will regret it if he pulls out of the nuclear agreement with Iran. He warned the US president that Iran's response would be stronger than he believes. The US sanctions that were lifted under the Joint Comprehensive Plan of Action of 2015 will resume unless Trump waives them again on May 12th. Iran has warned that it would ramp up its nuclear program if the JCPOA collapses, to achieve a more advanced level than before the deal. France, Britain and Germany are seeking to persuade their EU partners to back new sanctions on Iran, as a way to persuade Trump to stick with the nuclear deal curbed on Iran's nuclear activities in return for sanctions relief. Meanwhile, Iran's nuclear chief, Ali Akbar Salehi, warned that Iran needs only four days to increase its uranium enrichment to 20% at Fordow plant if the US quits the nuclear deal.

ISNA news agency quoted Iran's Oil Minister, Bijan Zanganeh, as saying that Iran will halt gasoline imports starting in September as the country aims to achieve self-sufficiency by increasing production of the motor fuel. He said Iran's gasoline production increased by 15 million liters/day last year. He said Iran would produce an extra 12 million liters of gasoline/day in the next four months, with 12 million liters/day added to that by the end of the Iranian calendar year in March.

IIR reported that US oil refiners shut in 1.327 million bpd of capacity in the week ending April 13th, cutting available refining capacity by 385,000 bpd from the previous week. IIR expects offline capacity to increase to 1.429 million bpd in the week ending April 20th.

Kinder Morgan Canada on Sunday suspended most work on a C\$7.4 billion or \$5.8 billion oil pipeline expansion that has become the focus of protests. It is halting all non-essential activities and related spending on the expansion project. Kinder Morgan Canada's chairman, Steve Kean, said he would scrap plans to nearly triple the capacity of the Trans Mountain Pipeline, which takes crude from Alberta's oil sands to a facility in the Pacific province of British Columbia, unless the various legal challenges could be resolved by May 31st. The firm is currently carrying out preliminary work but has not started construction. The project is fiercely opposed by British Columbia's left-leaning New Democratic government, many municipalities, some aboriginal groups and environmental activists concerned about possible oil spills.

Early Market Call - as of 8:30 AM EDT

WTI - May \$64.62, up \$1.21
 RBOB - May \$2.0111, up 2.73 cents
 HO - May \$2.0267, up 3.02 cents

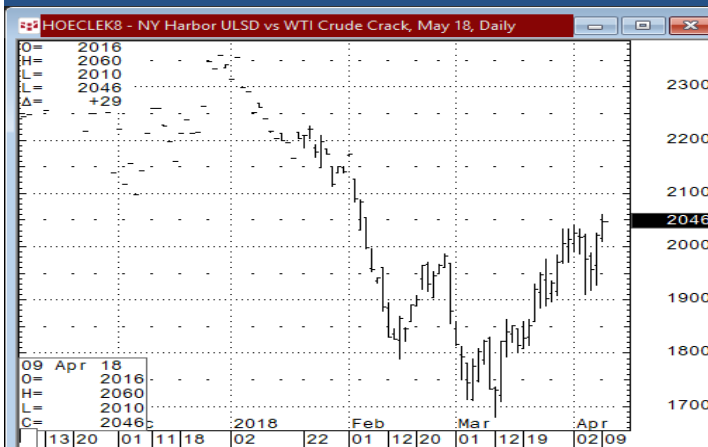
Month	ULSD (HO)	Prior Settle	Change In
	Close	Change	One Week
May-18	\$1.9966	\$0.0388	\$0.0164
Jun-18	\$1.9904	\$0.0360	\$0.0127
Jul-18	\$1.9857	\$0.0339	\$0.0102
Aug-18	\$1.9836	\$0.0325	\$0.0096
Sep-18	\$1.9848	\$0.0314	\$0.0090
Oct-18	\$1.9850	\$0.0298	\$0.0079
Nov-18	\$1.9846	\$0.0284	\$0.0070
Dec-18	\$1.9833	\$0.0272	\$0.0068
Jan-19	\$1.9829	\$0.0262	\$0.0064
Feb-19	\$1.9790	\$0.0251	\$0.0055
Mar-19	\$1.9682	\$0.0236	\$0.0042
Apr-19	\$1.9526	\$0.0231	\$0.0058
May-19	\$1.9444	\$0.0227	\$0.0087
Jun-19	\$1.9385	\$0.0206	\$0.0085
Jul-19	\$1.9373	\$0.0198	\$0.0069
Aug-19	\$1.9374	\$0.0190	\$0.0067
Sep-19	\$1.9411	\$0.0182	\$0.0066

Sprague HeatCurve Oct 2018-April 2019		\$1.9776	
Other Front Month NYMEX		Close	Change
Crude - WTI	June Brent-	\$63.4300	\$1.3300
Crude - Brent	WTI Spread	\$68.6500	\$1.5400
Natural Gas	\$5.22	\$2.6930	-\$0.0080
Gasoline		\$1.9842	\$0.0295

ICE June WTI-Brent Spread



May Heating Oil Crack Spread



May RBOB Crack Spread

